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TO RUEHC/SECSTATE WASHDC 9577
RULSDMK/DEPT OF TRANSPORTATION WASHINGTON DC

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STPDTS

SENSITIVE BUT UNCLASSIFIED SIPDIS

DEPARTMENT PASS TO EB/TRA JREIFMAN, DEPARTMENT OF TRANSPORTATION PASS TO KGLATZ

E.O. 12958: N/A TAGS: <u>EAIR ECON SF</u>

SUBJECT: SOUTH AFRICA DEPARTMENT OF TRANSPORTATION SENDS DIP NOTE REGARDING DELTA OPPOSITION TO SAA REQUEST

- 11. (SBU) This is an action request, see paragraph 5.
- 12. (SBU) Summary. The South Africa Department of Transport (SADOT) requests that the U.S. Department of Transportation (USDOT) set aside Delta Airline's (Delta) opposition to South African Airway's (SAA) USDOT application to renew its permit to operate air transportation services between the U.S. and South Africa. SADOT claims that Delta's opposition is based on an alleged attempt by SADOT and the South African Civil Aviation Authority (SACAA) to delay approval of a separate application by Delta to amend its South African Foreign Operators Permit, thereby giving SAA a competitive advantage over Delta. SADOT's response to the Delta allegation is contained in a diplomatic note (see para 4). End Summary.
- 13. (SBU) Post Civil Aviation Officer received a diplomatic note regarding a dispute between Delta Airlines and SADOT from the South African Department of Foreign Affairs (DFA) on March 27. The note was sent March 28 via email to EB/TRA Joel Reifman and USDOT Keith Glatz with a request for clarification and required action by post. Civil Aviation Officer sought clarification regarding the note in a meeting with SADOT Chief of Aviation Anwar Gany on April 25. explained that SAA had filed an application with USDOT to renew its permit to operate air transportation services between South Africa and the United States. Gany reported that Delta filed an opposition to SAA's application until such time that Delta was able to resolve difficulties it allegedly was encountering with SACAA and SADOT concerning certification of certain Delta aircraft used for its US-South Africa service. Gany said that the reason SADOT has not approved Delta's application to amend its Foreign Operators Permit is that Delta's request is incomplete. Gany asked that Delta's opposition to SAA's application with the USDOT be set aside.

Text of Diplomatic Note

14. (SBU) Begin Text: Ref: BL1/USA/8/A26. The Department of Foreign Affairs of the Republic of South Africa presents its compliments to the Government (sic) United States of America and has the honour to refer to the Air Services Agreement between the two countries.

South Africa has submitted applications for the renewals of certain exemptions to give them permission to operate scheduled and chartered air services between South Africa and the United States. As, (sic) such Delta Airlines objected based on the reason that the South African Government could not grant approval for the entire fleet of Boeing 767-300 Er aircraft between the United States and South Africa.

The South African Department of Transport wishes to confirm that Delta Airlines (sic) application for an amendment to their current Foreign Operator's (sic) Permit was received on December 14, 2006 for the 32 Boeing 767 registered aircraft via their Consultant Deneys Reitz Inc. only 20b (sic) B767 registered aircraft were approved and the remaining 12 aircraft were put on pending because their Certificate of Release to Service did not comply with ICAO document 8, Annex8.8.1. (sic) The Department of Transport has to this effect communicated the matter to Delta Consultant (sic) who in return advised that Delta Airlines would be advised accordingly.

The Department of Transport is pleased to inform Delta Airlines that on 15 March, 2007 certificates for the 12 aircraft that were pending were received and the status of those aircraft was then reviewed, (sic) they were included the (sic) Delta Airlines (sic) fleet. The Department of Transport in (sic) currently in the process of issuing Delta Airlines with the amended Foreign Operator's (sic) Permit. The Department of Transport has no intention of prejudicing Delta Airlines in this regard.

The Department of Foreign Affairs of the Republic of South Africa avails itself of this opportunity to renew to the Consulate General (sic) the assurances of its highest consideration. 23 March 2007. End Text.

15. (SBU) Action request for State/EB/TRA and USDOT: Please advise on how post should respond to dip note TEITELBAUM